



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Electric Rate Schedule G1 (General Service – Group 1 Commercial/Industrial) Change – five percent reduction.

MEETING DATE: October 7, 1998

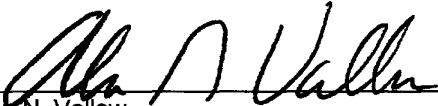
PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council introduce ordinance approving changes to the Electric Rate Schedule G1 (General Service – Group 1 Commercial/Industrial) to be effective on and after December 1, 1998, which will result in a net five percent reduction from the current rate schedule.

BACKGROUND INFORMATION: The proposed rate schedule reduction is in response to industry competition. The G1 customer class average yearly electric rate is now above that of the surrounding investor owned utility due to AB1890's mandated ten percent electric rate reduction. The proposed rate reduction will help restore our competitive advantage by placing our G1 customer class average yearly electric rate approximately three percent below our nearest competitor.

Based on sales revenue generated by G1 customers during FY1997-98, it is estimated that this rate reduction will result in a yearly revenue reduction of \$250,000.

FUNDING: Not applicable.



Alan N. Vallow
Electric Utility Director

PREPARED BY: Jack Stone, Manager, Business Planning and Marketing

ANV/JS/pn

c: City Attorney
Finance Director

APPROVED: _____


H. Dixon Flynn -- City Manager

10-07-98 JS



CITY OF LODI

ELECTRIC UTILITY DEPARTMENT

SCHEDULE G1

GENERAL SERVICE - GROUP 1 COMMERCIAL/INDUSTRIAL

APPLICABILITY

This schedule is applicable to customers with single-phase or three-phase service, or to a combination thereof, whose energy consumption does not exceed 8,000 kilowatt-hours (kWh) per billing cycle for three consecutive billing cycles. This schedule is not available for service when another commercial/industrial schedule is applicable.

Assignment to Schedule: If, in the judgement of the City, an account is expected to have usage below 8,000 kWh per billing cycle, the City has the option of placing the account immediately on this schedule.

When an account billed on this schedule permanently changes the nature of electrical operations to such an extent that the account would in time qualify for another rate schedule, such billing change will be made as soon as practicable after verification of said changes.

If energy consumption equals or exceeds 8,000 kWh for three consecutive billing cycles, the City will transfer the account to the appropriate rate schedule. If the demand reaches or exceeds 400 kW for three consecutive billing cycles, the account will be transferred to the appropriate rate schedule.

RATES:

Customer Charge: (per meter per billing cycle)

Single-Phase Service	\$7.00
Three-Phase or Combination Service	10.35

Energy Charge: (per kWh)

Summer (May through October) 12967
Winter (November through April) 08889

PURCHASED POWER COST ADJUSTMENT (PPCA):

A purchased power cost adjustment may be included in each bill for service. The adjustment shall be the product of the total kilowatt-hours (kWh) for which the bill is rendered times the adjustment amount per kWh. The adjustment amount per kWh will be calculated to reflect amounts charged the City by various suppliers of bulk power not covered in the above rates.

SCHEDULE G1

GENERAL SERVICE - GROUP 1 COMMERCIAL/INDUSTRIAL

CHEROKEE LANE ECONOMIC INCENTIVE DISCOUNT:

G1-Commercial/Industrial customers establishing accounts in the Cherokee Lane portion of the Central City Revitalization Area on or after January 1, 1995, are eligible for the following discounts on Energy and Demand charges:

July 1, 1996 - June 30, 1997	20%
July 1, 1997 - June 30, 1998.....	15%
July 1, 1998 - June 30, 1999.....	10%
July 1, 1999 - June 30, 2000.....	5%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

COMMERCIAL DEVELOPMENT INCENTIVE DISCOUNT:

G1-Commercial/Industrial customers establishing accounts in the City of Lodi on or after January 1, 1995, are eligible for the following discount on Energy and Demand charges:

July 1, 1996 - June 30, 1999.....	10%
July 1, 1999 - June 30, 2000.....	5%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

This discount may not be used in conjunction with any other incentive discount.

COMMUNITY BENEFITS INCENTIVE DISCOUNT:

G1-Non-profit (as defined in Federal Internal Revenue 501 (c) (3)) Industrial/Commercial customers who are currently receiving Federal Community Development Block Grant funds or have received such funds not more than two years before preparation of the current billing cycle charge are eligible for the following discount on Energy and Demand charges:

July 1, 1996 and after	30%
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SCHEDULE G1

GENERAL SERVICE - GROUP 1 COMMERCIAL/INDUSTRIAL

CORE AREA ECONOMIC INCENTIVE DISCOUNT:

G1-Commercial/Industrial customers establishing accounts in the Core Area of the Central City Revitalization Area on or after January 1, 1995, are eligible for the following discounts on Energy and Demand charges:

July 1, 1996 - June 30, 1997	40%
July 1, 1997 - June 30, 1998.....	30%
July 1, 1998 - June 30, 1999.....	20%
July 1, 1999 - June 30, 2000.....	10%
After June 30, 2000	0%

It is the customer's responsibility to notify the Finance Department of this eligibility. Discounts will be applied retroactively back to either the account start date or July 1, 1996, whichever is later.

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BILLING CYCLE CHARGE (MONTHLY BILL):

The billing cycle charge is the sum of the Customer Charge, the Energy Charge and the PPCA.

ORDINANCE NO. 1668

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI
AMENDING CHAPTER 13.20 OF THE LODI MUNICIPAL CODE BY
REPEALING AND REENACTING SECTION 13.20.240, RELATING TO
ELECTRIC SERVICE - RATES

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BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

SECTION 1. Chapter 13.20 - Electrical Service - is hereby amended by repealing and reenacting Section 13.20.240, relating to Group 1 Commercial/Industrial Rates by attaching new Exhibit F:

Section 13.20.240 - Schedule G1 - General Service - Group 1 Commercial/Industrial.:

For Group 1 commercial/industrial rates, see the schedule attached to the ordinance codified in this chapter, marked Exhibit F and made a part hereof as if set out in full.

Section 2. - No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 3. - Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 5. The increased rates shall be effective on applicable electric utility billings prepared by the City of Lodi on or after December 1, 1998.

Approved this ____ day of _____, 1998

JACK A. SIEGLOCK
MAYOR

ATTEST:

ALICE M. REIMCHE
City Clerk

State of California County of San Joaquin, ss.

I, Alice M. Reimche, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1668 was introduced at a regular meeting of the City Council of the City of Lodi held October 7, 1998 and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held _____, 1998 by the following vote:

Ayes: Council Members -

Noes: Council Members -

Absent: Council Members -

Abstain: Council Members -

I further certify that Ordinance No. 1668 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

ALICE M. REIMCHE
City Clerk

Approved to Form:

RANDALL A. HAYS
City Attorney



CITY OF LODI
ELECTRIC UTILITY DEPARTMENT

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